MEMO

To: Chris Desser, Bob Fuller, Peggy Lauer and Beau Takahara
From: Marly Norris MAN
Re: Update
March 16, 1993

We had a full staff meeting on Monday morning at 9:00 AM, the results of which are:

Jon (with Keith's help) will prepare a long-term business plan that he will present to the board no later than March 29.

During this time the staff will prepare an evaluation of Jon as Executive Director, which will be sent along with the business plan.

Please review your schedules and let me know if you would be available for a follow-up meeting on these reports the week of April 12.

I'm including a copy of the Jim Britell article that Howard mentioned in the meeting.

Thanks.

cc: Jon McIntire, Keith Jordan

LIFE AT THE BOTTOM

Illustrations by James Donnelly

MANAGEMENT PROBLEMS IN SOCIAL-CHANGE ORGANIZATIONS

BY JIM BRITELL

Jim Britell wrote "Negotiate To Win" in our Spring 1992 issue. In talking with him about that article, I mentioned some of the lurches, staggers, and changes in leadership going on here, at our own nonprofit Point Foundation. My tales of a board out of touch with a staff and assorted other woes were just more grist for Jim's mill. Turns out he'd been hearing similar stories from a lot of his nonprofit friends, and as a former manager, had begun to ask, "Why?" This article and the survey review of management books that follows are the result. —Richard Nilsen

The best of all rulers is but a shadowy presence to his subjects.
Next comes the ruler they love and praise;
Next comes one they fear;
Next comes one with whom they take liberties.
When there is not enough faith, there is a lack of good faith.

Hesitant, he does not utter words lightly.
When his task is accomplished and his work done
The people all say, "It happened to us naturally."
—Tao Te Ching, Lao Tzu #17

MANY NONPROFIT AND SOCIAL-CHANGE ORGANIZATIONS, working to make the world a better place, manage to create work environments that are social nightmares for their staffs. The lack of good management in many of these organizations often drives their most dedicated employees and volunteers away, frustrated and resentful.

In their study of job satisfaction in northern Rockies public-interest organizations,* Kuric and van Hook found that many groups treated their "good-hearted staff with callous disregard." They found widespread dissatisfaction with workspace, pay, relations

* See review of *Dancing in the Dragon's Jaw* (p. 92).

OF THE WATERFALL

with directors and boards; employees sensed that "they are less important than the causes they work on." Among employees who had quit, poor administration was a frequent complaint. When asked how the management of these organizations could be improved, former employees overwhelmingly singled out the need to improve the management and supervisory skills of the directors.

I discussed the findings of this report with individuals familiar with social-change organizations in other regions of the country. There was a consensus that many (perhaps a majority) of these organizations suffer because the managers lack management skills. One person, who conducts training programs for social-change organizations in the Midwest, observed that the overall quality of management in social-change organizations is not good. She sensed a feeling of isolation in executive directors, and said that few are caring, too many are workaholics that can't share power, and there is an expectation that staff members will sacrifice themselves.

Another who has worked for environmental organizations in the Northeast noted that these organizations are often headed by charismatic, even messianic people who do not like to see other charismatic people emerge from the organization or begin to take charge. An executive of a national charitable foundation in the Southeast who has overseen many community nonprofit organizations said that managers of nonprofit organizations are not taught to manage, and that lack of management skills is widespread. One organization he worked with had a director who let everyone know that he was the boss by routinely rejecting other people's ideas, just because they weren't his.

A manager oblivious to the social complexities of an office full of people is a lot like the manager of a logging company who is oblivious to the biological complexity of a forest he is logging.

One person who worked for the Forest Service, and who now works for an organization whose primary purpose is to oppose the Forest Service's deforestation schemes, said, "I hate what the Forest Service does, but I have to say that when I worked for them I felt as if I was part of a family, part of a team. In the environmental organizations I have worked for since, I have never had that feeling."

During discussions with younger employees of nonprofit organizations about the effect of management on employee morale, it became clear that some have never experienced "good" management and were fascinated by the whole concept.

While it is difficult to generalize about thousands of groups of different sizes and missions, observers and directors of nonprofit organizations agree that many have management problems that impede their effectiveness. From national organizations like United Way to local social-service organizations, conflicts over goals, funding, and leadership are apparent. Even several major meditation centers have undergone agonizing internal management shakeouts caused by conflict between the members and the directors.

Nonprofit and social-change organizations are not the only organizations under stress. Ross Perot's recent acrimonious split with General Motors was caused in part by his aggressive criticism of its president for failure to communicate with employees. Apple Computer, which many held to be a model of organizational creativity, expelled its founder for alleged lack of management skills. A recent survey of 120 senior women executives found that 91 percent had had at least one bad boss in their career.

Workers in America have many problems. They get significantly less vacation time than most European workers. Government regulations to protect workers, the public, and the environment have been gutted in recent years. The nation has no national health-care program. Few strong unions exist to successfully bargain on behalf of workers. Workers are held as hostages by the multinational corporations. Whenever needed changes to protect the environment, provide full employment, or deal with social ills are proposed, the mere recitation of the nineties mantra "jobs, jobs, jobs" seems sufficient to drive would-be reformers from the

Illustrations by James Donnelly

field in total rout. In an article in *INC* (April 1992), Paul Hawken asked, "Why is it that work is so hellish for the majority of Americans?"

A good candidate for patron saint of America's workers might be Benedict Arnold. The English generals thought he was America's best fighting general, and that without him America would have lost the Revolution. But the generals who supervised Arnold were bitterly jealous of his successes and routinely court-martialed him after his major victories — one of which he won after he broke out of jail, raced to the front of a battle in which the Americans were being routed, rallied the troops, and saved the day. Finally Arnold got fed up and turned coat so he could work under managers who appreciated him (and paid better, too).

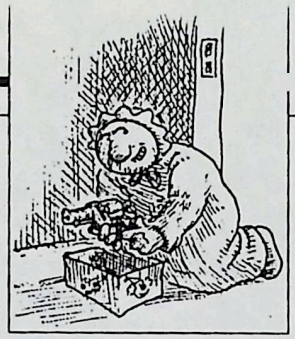
The Management of Organizations

The day-to-day operation of any organization, no matter the size or purpose, includes certain management tasks:

- Work areas must be acquired, laid out and assigned.
- Someone must decide what work is to be done, who is to do it, and what the workflow will be.
- The quality and timeliness of work products must be overseen.
- Bringing human beings together inevitably means that all the complex idiosyncrasies of people will surface. Whether negotiating a formal union contract or congratulating a staff member on a new baby, managers must deal with issues that arise simply because they are dealing with people.
- Operating an organization requires deciding who to hire, what to pay them, and how to provide employee benefits.

The mundane details of managing an organization may not be as interesting as giving an interview to the *New York Times*, or having a senator ask your opinion on some upcoming legislation. But truly creative managers remember that God is in the details. Chaos and disorganization masquerading as freedom may create diversions that allow the manipulation of others. Some managers equate that with power: it is not. The vicissitudes of life and the laws of entropy create enough disorganization, without managers playing "pile-on."

Rules For People Who Work For Insecure Egotistical Jerks



These rules were learned the hard way. You can follow them while you spend your free time looking for another job:

• If you don't have a boss, or if your boss doesn't tell you what to do, figure out what a good boss (if you had one) would tell you to do, and then do that.

• Never reveal your true opinion about your boss's management style, even if you are asked under situations which might lead you to believe that honest feedback is really sought.

• Never overestimate the intelligence, knowledge, or integrity of your supervisors.

• When under interrogation, ask yourself, "Is my boss gathering information or ammunition?"

• If you have an issue so important that you must bring it to the top person in the organization, approach that person directly. Intermediaries grind their own axes coming and going.

• If your written appraisal is poor, your boss thinks your work is poor, no matter what is said.

• Don't allow yourself to be physically segregated from the rest of the staff.

• Once a day, every day, do someone a favor.

• The core goal of junk-bosses is to surround themselves with subordinates who will ratify their self-image.

• When you shoot at a king don't merely wound him.

• Choose your next job on the basis of which job has a supervisor who can teach you the most.

• Carefully observe when your boss is talking to a stranger about subjects that you understand, but the stranger doesn't. This will teach you useful body-language clues that accompany dissembling and lying. Then you will know when they are being used on you.

• Beware jobs that keep you too long on an adrenaline rush.

• Always remember that life is too important to take seriously.

Unique Problems of Nonprofit Organizations

In addition to the stresses common to all workers, nonprofit organizations often have problems not shared by large "for-profit" operations: insurmountably burdensome tasks, uncertain funding, inadequate pay scales, "voluntary" overtime, poor employee benefits, inadequate

staffing, inadequate space, and substandard equipment. Ongoing funding is often based on gifts and grants, creating a life "on the dole." Certainly, the daunting task of integrating volunteer and paid staff into daily operations is one not faced by most government or profitmaking operations. These problems are endemic to social-change work, and those choosing to work for nonprofit organizations accept these conditions in return for doing work that is socially important.

But the smaller nonprofit organizations suffer from unique problems, due to a paucity of management resources compared to large organizations, parlayed with managers who often have little management experience. Large nonprofit organizations like the Girl Scouts and national religious organizations have management resources comparable to large for-profit organizations. In the case of the Scouts, they also have institutional wisdom built up over time, based on many successes and many problems solved. Most small grassroots organizations have neither resources nor history to draw on.

Large profitmaking and government organizations usually have formal staff functions for management tasks, which in turn have subspecialties — purchasing, recruitment, systems acquisition, employee counseling. Each of these subspecialties has its own supporting professional organizations with professional certifications and accreditations, journals, conferences, and ongoing training programs. Large organizations may have an entire professional staff exclusively devoted to managing bulk-mail operations; a nonprofit or social-change organization may have a volunteer who, once a year, engages in a brief conversation with a misinformed clerk at the local post office.

One small volunteer environmental group in Oregon wasted 20 percent of their overall budget for five years because the local postmaster misinformed them about their eligibility for bulk-mail privileges, and charged them the full first-class rates to mail their newsletter — which could have been sent out at a fraction of the cost with a nonprofit bulk-mail permit.

Managing people is like writing rhymed poetry: people need the widest possible freedom within a disciplined structure.

Managers in large organizations not only have technical support, but their personal career paths usually include assignments and training in various management specialties at several supervisory levels. Management development staffs examine and evaluate the strengths and weaknesses of individual managers from early in their careers. Individualized career development and training programs are devised for each manager. Managers often go through formal training programs with mentoring by senior managers who formally evaluate the candidates' performance, strengths, and weaknesses. People who aspire to management careers are expected to attend the many training programs offered by colleges and universities. A large organization would no sooner put a person without formal training into a position of managing others than it would make a staff accountant the pilot of the company airplane.

Big organizations can be hellish places to work, but most have a variety of mechanisms to detect, prevent, and correct the effects of poor management. Personnel practices are formalized and monitored. Formal employee grievance systems identify difficult managers early. Unions and their shop stewards in the work units act as a check on poor management practices. Large organizations have many departments, so employees can often transfer away from unsatisfactory work areas. Personnel departments have employee-counseling programs where employees can get advice and talk out their problems in confidence. Managers usually have other experienced managers nearby to whom they can go for advice.

The managers of nonprofit organizations not only arrive in management positions with little prior supervisory experience, but typically have little in the way of support systems. Often they are selected for skills unrelated to managing others (typically: fundraising, law, publicity, political activism, science, or writing).

Dysfunctional Organizations

When a staff member's work atmosphere is harmonious and constructive it has a positive effect on a wide circle of family and friends. Conversely, poor or insensitive supervision can have adverse lifetime impacts on its victims. Staff members in dysfunctional organizations may find it impossible to figure out whether their problems arise from a society in decline, problems intrinsic to poorly funded organizations, impossible tasks, ineffective management and supervision, or their own shortcomings and inexperience.

In one instance, a highly capable and popular employee of a social-change organization spent months organizing and presiding over a successful conference that brought national recognition for the executive director. On the Monday morning following the conference, she was called into his office and fired.

Poorly managed organizations exhibit some or all of certain basic

symptoms. Such organizations may lurch from crisis to crisis. Projects frequently change scope and direction in midstream. Staff members may have a lot of personal problems: marital problems, overeating, sickness. Managers are often unhappy with their whole staff. Visitors to the office may sense a sullenness in staff members. Receptionists don't have time to be friendly.

A manager oblivious to the social complexities of an office full of people is a lot like the manager of a logging company who is oblivious to the biological complexity of a forest he is logging. The seemingly insignificant day-to-day decisions of either can have profound long-term implications. A decision, for example, about where to place the desk of a new employee may affect the course of that person's whole life. It determines who s/he will see and talk to in the course of a day, how private his/her work life will be, and how much ergonomic stress (such as artificial light or the noise of photocopiers) s/he will be subjected to. This will reverberate through the whole social ecosystem just as surely as a decision about where, when, and how to conduct logging reverberates through the physical ecosystem.

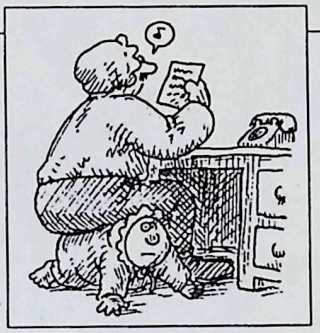
A person who has audited hundreds of offices told me that he could go in the front door of an office, walk through it without looking right or left, exit the back door and write a report on the management of the office. An experienced forest ecologist can walk into a natural setting and read what is happening at a glance; so can a professional manager. The style of a manager impresses itself on the look and feel of the whole operation.

Every organization has to deal with the avalanche of information that pours into it, and integrate this information into the assignment and monitoring of ongoing work. Nothing reveals the vision of an organization as well as the way its executives manage information and time. People never have time to do all that they ought to do, but they usually have time to do what they really want to do. A manager who doesn't consistently answer mail and phone calls sends an important message to the staff. One sure sign that an organization has lost control is unanswered mail and unreturned phone calls.

A few years ago, an environmental organization sent people to sit on a board to review and vote on proposed federal timber sales in or near Spotted Owl habitat. One of the board members asked the regional headquarters of his environmental organization for guidance. The person he talked to was far away, knew nothing of the details of the operation of the board, and was busy, so he told the board member to just go along with the process and try to cooperate.

When the voting began on the afternoon of the first day, the

How To Identify Dysfunctional Organizations



• Physical space is untidy and disorganized.

• Desks are cluttered and messy.

• Eating areas are posted with warnings, threats, and admonitions.

• Logs are out of date or not kept at all.

• File cabinets are not purged of obsolete material.

• Chronic facilities problems (to do with heating, cooling, noise, air conditioning, or air quality) exist.

• Staff members' effectiveness is impeded by inappropriate or poorly maintained office tools — computers, phone systems, photocopiers.

• There are chronic staff complaints about allocation and quality of space and equipment.

• Management followup and oversight may be lacking, or may take the form of nitpicking.

• Personnel turnover is high.

• Staff members complain about not being informed or being left out of important decisions.

• People are unduly concerned about who gets credit or blame.

• The office is divided with interoffice feuds, jealousy, or bickering.

• The organization itself has continual conflicts with other organizations.

• Managers are overworked while other staff members have little to do.

• Important documents frequently get lost or misplaced.

• Phone calls are not returned, mail languishes unanswered.

• Staff members have no idea what management thinks of their performance.

• Terminations occur at short notice or come as complete surprises.

• Certain staff members are singled out as favorites.

• Staff members put signs on their desks like "It is hard to soar with eagles when you work with vultures."

other environmental members on the board realized to their horror that this member was consistently voting with the timber industry against the environmentalists. When asked on a break what in the world he was doing, he said that he had been instructed to go along with the process and not cause problems. By the end of the day, seventeen million board feet of timber had been approved for logging in split decisions that the environmental community lost by a one-vote margin, caused by that one phone call.

"Charity" in every sense of the word must begin at home; for workaholics to whom "home" seems to have become the office, it must begin there.

Relations between management and staff

One person knowledgeable about social-change organizations recounted the story of a director of a nonprofit, a lawyer, who routinely drove out the lawyers working for him because he was unable to delegate even simple legal responsibilities to others.

Another professional in a national environmental organization told me that although his organization had only 200 people and he had worked there for six months, he had never talked to the executive director. When I mentioned this later to another professional in a different environmental organization, he said the same thing.

Unlike biology or plumbing, where the need for training and apprenticeship is taken for granted, many people assume that the ability to manage people is innate. Perhaps for a few it is, but for most of us it is a trade just like any other, and must be learned by training and coaching. Absent this preparation, most people revert to the only supervisory models in their experience — their parents. Much of what staff members resent in their managers is merely the manifestation of adult supervisors treating staff members as their parents, spouses, or children.

While researching this article, I heard (from employees in both nonprofit and for-profit organizations) several variations of one particular story: A manager sits at his/her desk and keeps writing, while a staff member stands in front of the desk unacknowledged. This type of manager dominates and intimidates perceived subordinates while fawning over perceived superiors. This might be called the "lick what's up, kick what's down" syndrome. Certainly this is unacceptable behavior in any organization, but it is particularly egregious in a social-change organization.

The leader of an organization is not necessarily the smartest, the most capable, or the best person on the staff. The leader's role is to bring out the best performance the team is capable of producing. This requires that the leader bring information and direction to the team, represent its interests to the outside world, and be very attentive to the needs of the team members and the dynamics of their interactions.

People need feedback and recognition, and will go to great lengths to get it. In the social-change sector, people often measure their personal worth by how they are able to help others and by the changes they are able to bring about in the world around them. When managers ignore intangibles such as praise, access, status, feedback, and self-esteem, employees can be forced into negative, unproductive loops.

Julius Caesar was so beloved of his soldiers that when he ran out of money for his army, his troops pooled their money and gave it to him. Why? He always put the welfare of his troops first. Once he was caught in the woods in the rain and there was only one hut. He gave it to a sick soldier and slept in the rain on the ground. He would always personally do the most dangerous jobs, like reconnoitering the enemy camps. If loyalty of staff to management is a concern, there is no better guide than the management style of Julius Caesar.

Good Management

In the late 1930s and early 1940s, the Roosevelt administration launched the New Deal and, because of the depressed labor market, brought into government an unusually well-educated and liberal-minded group of people who were passionately devoted to reforming society through the effective implementation of social-change programs. By the early 1970s, when they retired, some of these people had reached the highest levels of government. I was fortunate to know some of these managers in the closing years of their careers.

In the two decades since these managers left, their organizations have deteriorated along with the rest of the federal government. Nevertheless, the essence of what they believed, taught, and tried to practice is still valid for any organization:

- No organizational crisis ever justifies treating people without respect.
- Managing people is like writing rhymed poetry: people need the widest possible freedom within a disciplined structure.
- An organization must have explicit values and principles, and every decision the organization makes must be judged against them.

• An organization is a hologram; the quality and ethics of the top managers will be reflected in every aspect of its operations.

• To manage is to often make mistakes, so managers must have staff people who can "speak truth to power."

In January 1968, on the first day of my assignment to Karl, he called me in to get acquainted. About ten minutes into the visit Karl's secretary stuck her head into the office and said that Bob, the legendary head of the whole organization, was on the phone and wanted to speak to him. Karl said "Tell Bob I'll call him back later." A few months later I was having lunch with Karl and asked him why he had not taken the call. He relayed this story:

Some 25 years earlier, when on his first assignment as a regional junior staff assistant, he had been called in for a visit with the regional administrator, a woman who was a powerful force in the Democratic party, a personal friend of President Roosevelt and a former ambassador to Great Britain. During the visit an aide informed the administrator that the Queen of England was on the phone on a transatlantic call. She told the secretary "Tell the Queen I'll call her back later." Then she turned to Karl and said "Excuse me for the interruption." That incident made such an impression on Karl that from that day forward he made it a policy not to interrupt conversations with subordinates.

Summary

The purpose of social-change organizations is to make the world a better place. Their legal and historical roots spring from

Books to Help You Manage

BY JIM BRITELL AND MARTHA WEAVER-BRITELL

Spending the day cooped up in an office is not our idea of life, but we've done it when necessary. Like any other activity, over the years people have developed some ideas and rules about how to do it. The six books on the following pages can help; but learning to work in or manage an office from a book is a lot like learning to ride a horse from a book — painful and slow.

Organizational Behavior

There are a lot of popular paperback books on management that have one idea between two covers. This book has all those ideas, critiques of the ideas, and more. It is literally a textbook of management theories with an overview of the underlying psychology. The material is presented in a very accessible fashion, a far cry from the textbooks of my college days. I wish I had had this book when I was supervising people (and so would they).

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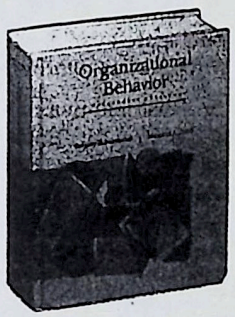
NCR's Corporate Culture Crosses International Boundaries

It was August 1945, and S. C. Allyn, chairman of the board of National Cash Register Corporation (NCR), was one of the first allied civilians to enter Germany at the end of the war. He had gone to find out what had happened to an NCR factory, built just before the war, that had been promptly confiscated by the German military command and put to work on the war effort. He arrived via military plane and traveled through burned-out buildings, rubble, and utter desolation until he reached what was left of the factory. Picking his way through bricks, cement, and fallen timbers, Allyn came upon two NCR employees whom he hadn't seen for six years. Their clothes were torn and their faces grimy and blackened by smoke, but they were busy clearing out the rubble. As he came closer, one of the men looked up and said, "We knew you'd come!" Allyn joined them in their work, and together the three men began cleaning out the debris and rebuilding the factory. The company had even survived the ravages of war.

A few days later, as the clearing continued, Allyn and his coworkers were startled as an American tank rumbled up to the site. A grinning GI was at its helm. "Hi," he said. "I'm NCR, Omaha. Did you guys make your quota this month?" Allyn and the GI embraced each other. The war may have devastated everything around them, but NCR's hard-driving, sales-oriented culture was still intact.

Source: T. Deal/A. Kennedy, *Corporate Cultures*, © 1982, Addison-Wesley Publishing Co., Inc., Reading, Massachusetts, p. 3. Reprinted with permission of the publisher.



Organizational Behavior
(A Management Challenge)
Greg Northcraft and Margaret Neale, 1990; 878 pp.
$51.25 ($55.35 postpaid) from HBJ College Publishers/Order Processing, 6277 Sea Harbor Drive, Orlando, FL 32887; 800/321-5068

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In any organization there are really two organizations: (1) the formal organization, consisting of the formal reporting relationships, rules, and procedures, and (2) the informal organization, consisting of what really goes on in the organization, including beliefs and social relationships.

Source: R. J. Selfridge and S. L. Sokolik, "A Comprehensive View of Organizational Development," *MSU Business Topics* (1975): 47.

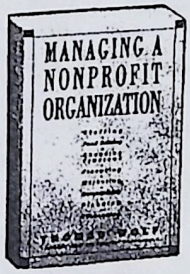
a tradition of charity, giving, education, helping, and sharing. The profitmaking world seeks to domesticate, simplify, and commodify the world, to treat people as fungible objects so they will be more efficient consumers. If social-change organizations treat employees as disposable objects, is this any different than the for-profits that view the whole world as simply a commodity to be "parted out?"

Many people work for social-change organizations because they empathize with the plight of other beings; this emotional response should be respected and encouraged. Our environmental and political problems are due in large part to its absence in too many people. But "charity" in every sense of the word must begin at home; for workaholics to whom "home" seems to have become the office, it must begin there.

While there certainly are many innocent victims in this world, most employees of public-interest organizations cannot claim to be among them. We create our own reality, not through some mystical means, but through our every perception and through each small decision and action. Managers and employees in social-change organizations need to set an example for the rest of society by taking care of themselves as well as others. We cannot expect to really change the world unless we can change ourselves. Of course, we can't wait until we are perfect — we must all just keep trying. I once worked in an office with many other professionals. One busy day we were squabbling over work assignments. Molly, the receptionist, walked over, eyed all of us sternly and said, "Kids, please, play nice." ❦

Managing A Nonprofit Organization

Written by a consultant to nonprofit organizations, this book addresses management issues of importance to nonprofits' managers and trustees. A large part is devoted to budgeting and fundraising. Another major topic is the proper functioning of a board of directors — a particularly important issue in nonprofits. The book also covers other basic issues of organizational management. Most chapters have a checklist at the end, in the form of questions that can be used to assess an organization's performance in a given area.



Managing a Nonprofit Organization
Thomas Wolf,
1984, 1990; 310 pp.
$13 ($16 postpaid) from Simon & Schuster, 200 Old Tappan Road, Old Tappan, NJ 07675; 201/767-5937 (or Whole Earth Access)

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Checklist Questions for Chapter 4

1. Does your organization have an organization chart that clearly and unambiguously shows chains of employee authority and accountability?

2. Are there job descriptions for all employees in your organization? Are they up-to-date?

3. Are compensation scales realistic and fair in your organization? Are employee benefits comparable to those in other nonprofit organizations of similar size? If salaries and benefits are not adequate, is there a plan to address this issue?

4. Has your organization clearly documented its hiring and pay procedures? Is there a formal evaluation procedure for every employee in your organization? Have grievance and termination procedures been developed?

5. Has your organization developed conflict-of-interest policies for employees?

6. Does your organization have a personnel manual? Is it complete and up-to-date?

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Given the fact that reporting and authority lines must be respected, they must be set up carefully. Supervisors must be capable of supervision; employees should not be expected to report to people who are incompetent. In addition, multiple supervisors should be avoided whenever possible. If an employee must report to two bosses and the two do not agree, this puts the employee in an awkward position. In the organization chart in figure 4.1, for example, the third secretary carries out work for four people — the director of programs and the three coordinators. However, the principal reporting line is to the director of programs. This means that in instances where it is unclear whose work needs to get done, the secretary can ask the director of programs to establish priorities.